

**Amendments to the Specification**

***Please replace the second full paragraph on page 7 with the following***

***amended paragraph:***

With reference to the illustration of Fig. 2, each of the seven "clear" E3 signals has been inverse multiplexed into 18 E1 signals, labeled 1-18A, 1-18B... 1-18G, each set being associated with an original E3 signal. For identification purposes, each of the E1 signals has been identified with a particular one of the six DS3 carriers. For example, DS3 carrier No. 1 has associated therewith the group of E1 signals labeled 1- 1 8A and 1-3 B, for a total of 21 E1 sub-stream signals, which can be carried by the DS3 carrier. DS3 #2 carries the balance of E3-B, namely sub-stream signals 4 - 18 B, as well as sub-stream signals 1- 6 C of the third E3 signal. Thus for each DS3 carrier, a full E3 signal is carried together with 3/18 or 1/6 of the next E3 signal as shown in e.g., Fig. 2, #1. A total of six DS3 carriers is thus used to carry seven E3 signals. This is to be contrasted with the prior art technique, which would require seven DS3 carriers, each underutilized, for seven E3 signals.